



In this newsletter, you'll learn:

- About the conversion from TIAA-CREF Tuition Financing, Inc. (TFI) to Ascensus College Savings Recordkeeping Services, LLC (Ascensus)
- How your existing investments will move into new investment options
- Key dates in the conversion.

Your Kentucky Education Savings Plan Trust is better than ever.

Introducing KY Saves 529.

Coming this February, your plan will have:

- A new name, **KY Saves 529**
- A new Program Manager, Ascensus
- Lower fees
- A new investment lineup
- Improved online access
- A friends and family gifting platform, and much more.

There's nothing you need to do at this time.

Your account information, including records and assets, will automatically move to Ascensus.





Your account is changing for the better. Here's how:



Enhancements at a glance

| | Before | After |
|------------------------|---|--|
| Program Manager | TIAA-CREF Tuition Financing, Inc. | Ascensus College Savings Recordkeeping Services, LLC |
| Investment Options | <ul style="list-style-type: none"> • Age-Based Investment Options • Multi-Fund Investment Options • Guaranteed Investment Option | <ul style="list-style-type: none"> • Year of Enrollment Options • Asset Allocation Options • Capital Preservation Option (FDIC-insured) |
| Total Asset-Based Fees | 0.54% - 0.91% (excluding the Guaranteed Option*) | 0.20% - 0.85% (excluding the Guaranteed Option*) |

Innovative investment options

KY Saves 529 will offer seven Year of Enrollment Options, with underlying equity and fixed income funds managed by BlackRock, SSGA, Schwab, and Vanguard. These Year of Enrollment Options become more conservative over time, based on the year your beneficiary is expected to attend school.

Four Asset Allocation Options will be available. These options provide you the opportunity to create your own mix of equity and fixed income, and active or index-based allocations.

Finally, a new FDIC-insured Capital Preservation Option with an interest rate that changes periodically will be available to those who are looking for an option that preserves capital and offers a stable return.



Lower average costs

The total annual asset-based fees for the new investment options will depend on which investments you choose. As an existing account owner, your total annual asset-based fees will range from 0.20% - 0.85% (excluding the Guaranteed Option). Depending upon your investment choices, this could result in a fee reduction!

Expert program management

Our new Program Manager, Ascensus, specializes in making education investing available for families throughout the nation. As of December 31, 2018, Ascensus administers more than 4 million 529 accounts.

Ugift® — Give Education Savings

This free-to-use program makes it easy to get help from family and friends. Instead of giving toys, clothes, or other presents, gift givers can make a lasting impression through education savings.

Visit kysaves.com after the conversion for details.

Simplified online account management

Manage your account when and where it's convenient for you. From your phone, tablet, laptop, or desktop, you can make:

- additional contributions
- withdrawals
- investment exchanges
- changes to your banking instructions
- invites to friends and family to make gifts
- updates to your profile, and more!

Be sure to retain your existing account number in order to log on to KY Saves 529 after the conversion. Account Owners will need to register for new online account access beginning February 25, 2019, at kysaves.com. It should only take a few minutes.

What hasn't changed?

If your beneficiaries move to another state, they may still qualify for Kentucky in-state tuition rates, as long as they meet certain criteria. Also, KY Saves 529 accounts are not included when determining Kentucky need-based aid for Kentucky residents.

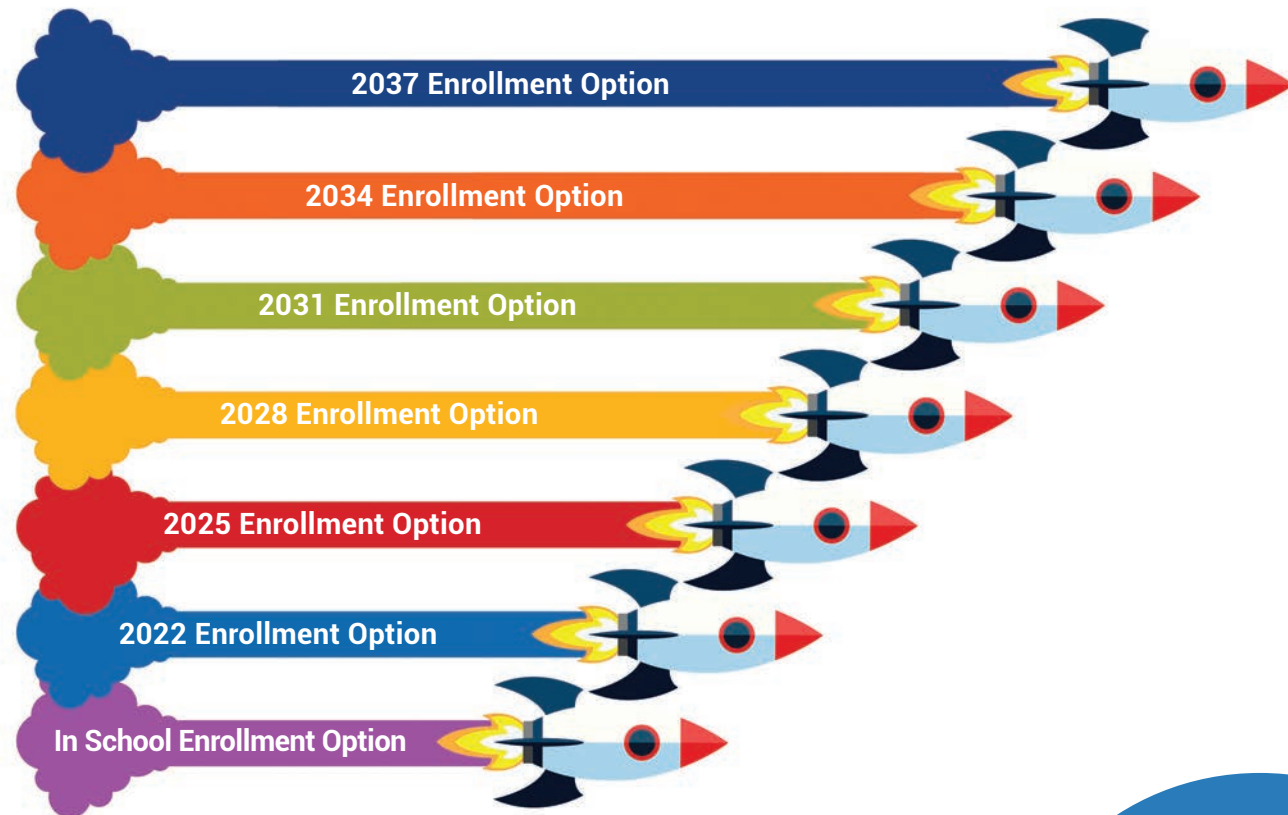




New investment options

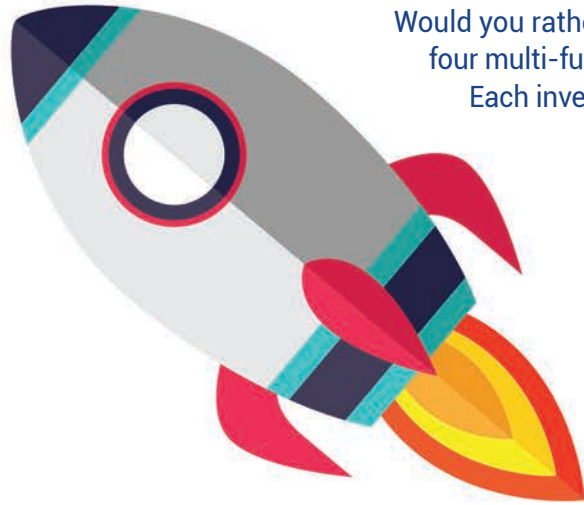
Year of Enrollment Options

Typically, as your beneficiaries approach enrollment, the need to preserve their education savings increases. In each of these seven Year of Enrollment Options, the underlying investments change automatically to match compressed time horizons and risk levels.



Asset Allocation Options

Would you rather play a more active role in your investments? Choose from four multi-fund investment options to create a personalized investment mix. Each investment option is invested in four underlying funds.



Active Equity Option

Active Bond Option

Equity Index Option

Bond Index Option

Capital Preservation Option

This option seeks income consistent with the preservation of principal.*



Capital Preservation Option

Once the conversion is complete

You're free to change your allocations after the conversion, provided that you have not already performed two investment exchanges in 2019, per federal 529 plan regulations. (Because the conversion of KY Saves 529 is a program-initiated change, it will NOT be considered one of your two annual investment exchanges.)

Are you saving for K-12 tuition expenses?

Consider making an investment change to an option aligned with your savings timeline after the conversion is complete.

*The Capital Preservation Option invests all of its assets in the NexBank High-Yield Savings Account, ("HYSA"). The HYSA is held in an omnibus savings account insured by the Federal Deposit Insurance Corporation ("FDIC"), which is held in trust by the Kentucky Higher Education Assistance Authority at NexBank. Contributions to and earnings on the investments in the Capital Preservation Option are insured by the FDIC on a pass-through basis to each account owner up to \$250,000, the maximum amount set by federal law. The amount of FDIC insurance provided to an account owner is based on the total of (a) the value of an account owner's investment in the Capital Preservation Option; and (b) the value of all other accounts held by the account owner at NexBank, as determined by NexBank and FDIC regulations. Except for the Capital Preservation Option, investments in KY Saves 529 are not insured by the FDIC.



Mapping your current options

Year of Enrollment Options

| Beneficiary Birth Date Range | New KY Saves 529 Year of Enrollment Options |
|--------------------------------|---|
| August 1, 2017 and after | 2037 Enrollment Option |
| August 1, 2014 - July 31, 2017 | 2034 Enrollment Option |
| August 1, 2011 - July 31, 2014 | 2031 Enrollment Option |
| August 1, 2008 - July 31, 2011 | 2028 Enrollment Option |
| August 1, 2005 - July 31, 2008 | 2025 Enrollment Option |
| August 1, 2002 - July 31, 2005 | 2022 Enrollment Option |
| July 31, 2002 and earlier | In School Enrollment Option |



Your investments following the conversion

At the time of the conversion, your current assets will automatically shift (“map”) to the new investment options within KY Saves 529 that most closely match your current investments. The mapping is designed to match your current investment selection with one that offers a similar allocation.

For example, if you're currently invested in the Age-Based Investment Options, your investments will automatically map to the new KY Saves 529 Year of Enrollment Option that corresponds to the year your beneficiary plans to begin college. Then, as your beneficiary approaches college age, the mix of investments within that portfolio shifts automatically.



Asset Allocation Options

| Current Option | New Option |
|----------------------|---|
| Active Equity Option | Active Equity Option |
| Equity Index Option | Equity Index Option |
| Balanced Option | 60% to Equity Index Option 40% to Active Bond Option |
| Fixed Income Option | Bond Index Option |

The conversion: seamless and automatic

You won't need to do anything regarding your allocation at the time of the conversion; your assets will be automatically transferred to the mapped investment options as indicated.

Important Information about the Guaranteed Option

The Guaranteed Option will be closed to new contributions at conversion.

Any contributions received after that time will be directed to the new Capital Preservation Option. TIAA-CREF Life Insurance Company will continue to serve as the Guaranteed Option investment manager following the transition to Ascensus.

At the time of the conversion, the overall rate of return on the Guaranteed Option will remain the same, but TIAA-CREF Life Insurance Company may, in the future, change the rate in accordance with the process previously described to you in your prior Kentucky Education Savings Plan Trust disclosure booklets.

In February 2023, or earlier depending on certain conditions, any remaining assets in the Guaranteed Option will automatically move to the Capital Preservation Option or a similar investment available at that time. You may also exchange or withdraw money from the Guaranteed Option at any time. Remember, under federal law, you're allowed to make two exchanges per calendar year.



More on the **Conversion**

Automatic contributions will continue

If you currently transfer money from your bank account to your account on a periodic schedule, those transfers will continue automatically after the conversion.

Payroll direct deposits must be updated

If you currently contribute through your employer using payroll direct deposit, you'll receive a separate letter soon with instructions on how to update your payroll instructions.

Future contributions can be reallocated

While your existing assets will automatically map based to a similar plan as outlined on pages 6-7, you can always choose any of the new investment options for future contributions.

Your account statements are coming

Look for the following in the coming weeks:

1. A final Kentucky Education Savings Plan Trust statement from TFI, which will show the closing balance in your TFI account, along with transactions dated January 1, 2019, through February 22, 2019
2. An opening KY Saves 529 statement from Ascensus, which will show your opening balance in your Ascensus account
3. A new KY Saves 529 Program Description (previously referred to as the Disclosure Booklet) from Ascensus

Future account statements will only be delivered to you if you have made a financial transaction in that quarter; a quarterly statement will be available online by logging into your account. Be sure to register for online access, and sign up for electronic statements, confirmations and tax forms, too.

You will always receive an annual statement in January, regardless of transaction activity.

See conversion timeline on page 11 for additional details on key dates and actions regarding the upcoming conversion.





Conversion timeline

On Friday, February 22, 2019, your account records and assets will automatically transfer from TFI to Ascensus. TFI will calculate your current account balances on that day. Ascensus will reinvest the balances into the new investment options.

Please note: You must register for online account access with KY Saves 529 after the conversion AND select a new username and password if you want to access your account online.

Web registration opens at 8 a.m. ET on Monday, February 25, 2019, at kysaves.com; you'll be able to use EITHER your existing account number or your new account number to complete the web registration process. New account numbers will be mailed to you according to the timeline in the table to the right.

Changes for the better

We're certain you'll find that the new KY Saves 529 makes education saving better – and easier – than ever. If you have any questions about the conversion, please visit kysaves.com or call **877-598-7878**.





Key Dates

Ongoing through February 22, 2019

Wednesday, February 20, 2019

Thursday, February 21, 2019 –
Friday, February 22, 2019

Thursday, February 21, 2019 –
Monday, February 25, 2019

Friday, February 22, 2019 –
Sunday, February 24, 2019

Monday, February 25, 2019

Action

Continue to contact the call center during normal business hours at 877-598-7878 if you have any questions regarding your account. On February 22, 2019, the call center will close at 4 p.m. ET.

All transactions received in good order with a trade date of Wednesday, February 20, 2019, are processed as usual until 4 p.m. ET.

Transactions of any kind are temporarily not accepted by the plan. Online account access will be suspended and transactions will not be allowed via phone. Paper transactions will be forwarded to Ascensus for processing on Monday, February 25, 2019, or the business day it is received by Ascensus.

Automatic contributions through a bank with debit dates of Thursday, February 21, 2019, through Monday, February 25, 2019, will be processed on Monday, February 25, 2019, using market values of Monday, February 25, 2019.

Accounts are transferred from TFI to Ascensus. Online account transactions and maintenance will not be available.

Online account access resumes at kysaves.com and call center servicing resumes at 877-598-7878. To access your account online, you must re-register. You'll be able to use either your existing or new account number to complete the web registration process.

Transactions and other account change requests received in good order after 4 p.m. ET on Wednesday, February 20, 2019, will be processed by Ascensus using Monday, February 25, 2019, market values of KY Saves 529's new investment options.

A final word

Investing in KY Saves 529 is an important decision for you and your family. Please read and consider the Program Description when you receive it by mail shortly after the conversion. The Program Description will be available on kysaves.com. It contains further details about KY Saves 529 enhancements (along with risks, expenses, and other important information).

If you have questions about the conversion, visit kysaves.com or call **877-598-7878**.





For more information about the Kentucky Educational Savings Plan Trust (KY Saves 529), call 877-598-7878 or visit www.kysaves.com after the conversion to obtain a Program Description, which includes investment objectives, risks, charges, expenses, and other important information. Read and consider it carefully before investing.

Before you invest, consider whether your or the beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in that state's qualified tuition program.

KY Saves 529 is administered by the Kentucky Higher Education Assistance Authority. Ascensus College Savings Recordkeeping Services, LLC, is the Program Manager. The Program Manager and its affiliates have overall responsibility for the program's day-to-day operations, including investment advisory services, recordkeeping, and administrative services.

Investment returns will vary depending upon the performance of the Investment Options you choose. Except to the extent of FDIC insurance available for the Capital Preservation Option, depending on market conditions, you could lose all or a portion of your money by investing in KY Saves 529. Account Owners assume all investment risks as well as responsibility for any federal and state tax consequences.